LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6676 — **NOTE PREPARED:** Dec 11, 2003
BILL NUMBER: SB 387 — **BILL AMENDED:**

SUBJECT: Utility Service During the Heating Season.

FIRST AUTHOR: Sen. Lanane — **BILL STATUS:** As Introduced
FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL — **IMPACT:** State & Local
X DEDICATED
FEDERAL

Summary of Legislation: This bill extends the period during which an electric or a gas utility may not terminate residential service to a customer who is eligible for and has applied for emergency energy assistance. The bill extends the moratorium by changing: (1) the start date from December 1 to November 15; and (2) the end date from March 15 to March 31. The bill requires a utility to comply with notice requirements before terminating service during the heating season to any residential customer whose account is delinquent. It requires a utility to offer a residential customer a deferred payment plan for past due amounts and a level payment plan for past due and future charges. The bill prohibits a utility from terminating service during the heating season if a customer has entered into a deferred payment plan and has not defaulted on the plan. It allows a utility to terminate service not earlier than 14 days after providing the notice of termination required during the heating season if the customer has not entered into a deferred or level payment plan with the utility or provided evidence that the customer has applied for emergency energy assistance.

Effective Date: July 1, 2004.

Explanation of State Expenditures: While this bill could require the Indiana Utility Regulatory Commission (IURC) to evaluate its current rules and procedures, the provisions in the bill are not expected to have a significant fiscal impact on the Commission.

Background on IURC and OUCC (Office of the Utility Consumer Counselor) Funding: The operating budgets of the IURC and OUCC are funded by regulated utilities operating in Indiana. The IURC determines the rate at which to bill the utilities based on the two agencies' budgets, less reversions, divided by the total amount of gross intra-state operating revenue received by the regulated utilities for the previous fiscal year.

Based on this formula, utilities are currently billed approximately 0.10% of their gross intra-state operating revenues to fund the IURC and OUCC. In FY 2003, fees from the utilities and fines generated approximately $10.9 M.

Explanation of State Revenues:

Explanation of Local Expenditures: Municipally-owned electric and gas utilities would be subject to the bill's requirements.

Explanation of Local Revenues:

State Agencies Affected: Indiana Utility Regulatory Commission; Office of the Utility Consumer Counselor.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: John Parkey, 317-232-9854.